

10/7/10

**COMMISSIONERS**  
KRISTIN K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

ORIGINAL



0000118406

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## ARIZONA CORPORATION COMMISSION

## MEMORANDUM

**TO:** Kristin K. Mayes, Chairman

Gary Pierce

Paul Newman

Sandra D. Kennedy

Bob Stump

Arizona Corporation Commission

DOCKETED

SEP 28 2010

**FROM:** Matthew J. Neubert *MY*  
Director of Securities

DOCKETED BY

*PP*

**DATE:** September 2, 2010

**RE:** Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same by Steven Dale Morrey, Jennifer Morrey and Mayet Holdings, LLC. (S-20754A-10-0322)

**CC:** Ernest G. Johnson, Executive Director

Attached is a proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same by Steven Dale Morrey, Jennifer Morrey and Mayet Holdings, LLC ("collectively referred to as "Respondents"). The Order requires Respondents to cease and desist their activity and pay an administrative penalty in the amount of \$2,500.

The Respondents sought investors via Craigslist Phoenix. Neither Steven Dale Morrey nor Jennifer Morrey is registered as securities dealer or salesman. The offering is not registered with the Commission.

Respondents did not raise any money from investors. The Respondents have removed the advertisement from Craigslist Phoenix and have moved out of state.

The Proposed Consent requires the Respondents to cease and desist from violating the Arizona Securities Act. In addition, the proposed Consent orders Respondents to pay an administrative penalty in the amount of \$2,500.

The Securities Division believes this Consent is in the best interest of the public.

Originator: Wendy Coy

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 KRISTIN K. MAYES, Chairman  
4 GARY PIERCE  
5 PAUL NEWMAN  
6 SANDRA D. KENNEDY  
7 BOB STUMP

8 In the matter of

9 STEVEN DALE MORREY, a married man,  
10 individually and doing business as Mayet,  
11 Inc., an unincorporated entity,

12 JENNIFER MORREY, a married woman,

13 and

14 MAYET HOLDINGS, LLC, a Utah limited  
15 liability company, doing business as Mayet  
16 Holdings Ltd.

17 Respondents.

DOCKET NO. S-20754A-10-0322

DECISION NO. \_\_\_\_\_

**ORDER TO CEASE AND DESIST, ORDER  
FOR ADMINISTRATIVE PENALTIES AND  
CONSENT TO SAME**

**BY: RESPONDENTS STEVEN DALE  
MORREY, JENNIFER MORREY AND  
MAYET HOLDINGS, LLC**

18 Respondents STEVEN DALE MORREY, JENNIFER MORREY and MAYET  
19 HOLDINGS, LLC ("Respondents") elect to permanently waive any right to a hearing and appeal  
20 under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities  
21 Act") with respect to this Order to Cease and Desist, Order for Administrative Penalties and  
22 Consent to Same ("Order"). Respondents admit the jurisdiction of the Arizona Corporation  
23 Commission ("Commission"); admit only for purposes of this proceeding and any other proceeding  
24 in which the Commission or any other agency of the state of Arizona is a party the Findings of Fact  
25 and Conclusions of Law contained in this Order; and consent to the entry of this Order by the  
26 Commission.

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## I.

## FINDINGS OF FACT

1. STEVEN DALE MORREY ("S. MORREY"), at all relevant times, was an Arizona resident located in Mesa, Arizona. S. MORREY was listed as the registered agent and manager of MAYET HOLDINGS, LLC.

2. JENNIFER MORREY ("J. MORREY"), at all relevant times, was an Arizona resident located in Mesa, Arizona. According to the offering documents and emails, the pledge forms and the checks were to be sent to J. MORREY.

3. S. MORREY and J. MORREY are husband and wife. At all relevant times, Respondents S. MORREY and J. MORREY acted for their own benefit and for the benefit or in furtherance of their marital community.

4. MAYET HOLDINGS, LLC, ("MAYET HOLDINGS") was organized in Utah as a limited liability company on July 15, 2010.

5. STEVEN DALE MORREY, JENNIFER MORREY and MAYET HOLDINGS may be referred to collectively as "Respondents."

6. On June 23, 2010, S. MORREY advertised for investors on an internet website known as Craigslist/Phoenix.

7. A potential Arizona investor responded electronically to the Craigslist advertisement. S. MORREY emailed the offeree and attached a document titled "Talking Points: Mayet" ("Talking Points") that explained the details of the "High Risk Investment" advertised. The Talking Points stated that it is a "marketing document intended to engage potential investor interest." The Talking Points stated that once an "official prospectus" was completed, it would be sent to the offerees and investors.

8. The Talking Points stated that Mayet Inc. "is a company currently being founded whose primary purpose is to be the exclusive provider of a new automated trading platform called Mayet ATP." The Talking Points further stated that "Mayet is designed to apply advanced

1 waveform analysis techniques to the financial markets. The purpose of the analysis is to predict  
2 the length and breadth of trends of individual securities in those markets, in real time.”

3 9. The Talking Points disclosed that the “Mayet fund is an investment pool that is  
4 managed exclusively by the Mayet ATP software for the benefit of the Mayet shareholders.”

5 10. According to the Talking Points, S. MORREY sought “Qualified Investors” to  
6 purchase stock in Mayet, Inc. The Talking Points further stated that the “[t]he initial issue is  
7 expected to consist of 100,000 shares at \$10 per share. The minimum pledge is 10 shares.” The  
8 Talking Points also stated that once a pledge form was returned, the prospectus would be provided  
9 as soon as it is completed. The pledge forms were to be returned to “Mayet c/o Jennifer Morrey” at  
10 her address in Mesa, Arizona.

11 11. In subsequent emails, S. MORREY clarified that Mayet, Inc. would be structured as  
12 a limited liability company therefore does not have “shares in a traditional sense. . . . it does have  
13 member owners.” Further, S. MORREY stated that the formation of the limited liability company  
14 would be “very similar to a traditional stock based corp where ownership percentage is based on  
15 the investment in the initial capitalization phase. No stocks would be issued, however.” S.  
16 MORREY stated that the investors would be member owners however; the investors would not  
17 take an active role in the entity.

18 12. S. MORREY stated in a follow-up email that profits would be paid directly to the  
19 “owner/members.” Further, S. MORREY stated that “the ‘investment pool’ would no longer be a  
20 fund in the traditional sense, it would be a DPP [direct participation program] . . . similar to how  
21 investment clubs manage their assets.”

22 13. In a subsequent telephone conversation with an offeree, S. MORREY stated that the  
23 ATP program was generating an average of about ten percent (10%) a month. The investment was  
24 expected to last about two years. The investors could expect a return on investment to average  
25 about ten percent (10%) a month for two years plus a twenty five percent (25%) premium at the  
26 end of the two years.

1           14.     The Talking Points further stated that those offerees that signed a pledge form  
2 would be contacted when the "pledging goal" had been met. Then, the offeree would be expected  
3 to fund the amount pledged within five business days. According to S. MORREY, other than the  
4 investment of money, the investors are not expected to be active in the business.

5           15.     On July 15, 2010, MAYET HOLDINGS registered as a limited liability company in  
6 Utah.

7           16.     On July 16, 2010, another advertisement was placed on Phoenix Craigslist that  
8 sought investors in a "High Risk Investment Opportunity."

9           17.     On July, 16, 2010, another potential Arizona investor received an updated Talking  
10 Points document ("New Talking Points") from S. MORREY regarding the investments offered by  
11 MAYET HOLDINGS. According to the email sent by S. MORREY, they have "chosen to create  
12 an LLC" and "are seeking initial capitalization." S. MORREY stated that the New Talking Points  
13 document had been changed to reflect the change to membership interests.

14           18.     The New Talking Points document stated that "Mayet Holdings Ltd. is a privately  
15 held company and this is a private offering" even though the offer was advertised on  
16 Craigslist/Phoenix. The New Talking Point document also stated that "[a]ccording to SEC  
17 regulations a prospectus need only be created & filed for public companies & offerings, or private  
18 offerings beyond a certain size."

19           19.     On July 16, 2010, S. MORREY contacted one of the offerees via email to inform  
20 him that the entity had been successfully formed as a "manager managed LLC." The July 16,  
21 2010, email also stated that "Mayet Holdings, Ltd. is now a legally functioning entity." Further, S.  
22 MORREY stated that the type of investment offered by the Respondents may now change from  
23 membership interests in a limited liability company to "convertible debentures."

24           20.     According to the July 16, 2010, email from S. MORREY, "[a] convertible debenture  
25 offering is effectively a loan that we can pay back with profits generated by the company and when  
26 we are ready to IPO, we should have enough funding to payoff everyone involved, premiums

1 included." In addition, S. MORREY represented that, with convertible debentures, the return on  
2 investment would significantly increase.

3 21. On July 18, 2010, S. MORREY contacted the offeree via email to begin calling the  
4 pledges. The funds were to be provided to Mayet Holdings Ltd. in care of J. MORREY.

5 22. Respondents are not registered as securities dealers and/or salesmen.

## 6 II.

### 7 CONCLUSIONS OF LAW

8 1. The Commission has jurisdiction over this matter pursuant to Article XV of the  
9 Arizona Constitution and the Securities Act.

10 2. Respondents offered or sold securities within or from Arizona, within the meaning  
11 of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

12 3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were  
13 neither registered nor exempt from registration.

14 4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while  
15 neither registered as dealers or salesmen nor exempt from registration.

16 5. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S.  
17 § 44-2032.

18 6. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-  
19 2036.

20 7. Respondents S. MORREY and J. MORREY acted for the benefit of their marital  
21 community and, pursuant to A.R.S. §§ 25-214 and 25-215, this Order of administrative penalties is  
22 a debt of the community.

## 23 III.

### 24 ORDER

25 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents'  
26 consent to the entry of this Order, attached and incorporated by reference, the Commission finds

1 that the following relief is appropriate, in the public interest, and necessary for the protection of  
2 investors:

3 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and any of  
4 Respondents' agents, employees, successors and assigns, permanently cease and desist from  
5 violating the Securities Act.

6 IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry  
7 of Order.

8 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents STEVEN  
9 DALE MORREY, JENNIFER MORREY and MAYET HOLDINGS, LLC, individually, and the  
10 marital community of Respondents STEVEN DALE MORREY and JENNIFER MORREY, jointly  
11 and severally shall pay an administrative penalty in the amount of \$2,500. Payment is due in full  
12 on the date of this Order. Payment shall be made to the "State of Arizona." Any amount  
13 outstanding shall accrue interest as allowed by law.

14 For purposes of this Order, a bankruptcy filing by any of the Respondents shall be an act of  
15 default. If any Respondent does not comply with this Order, any outstanding balance may be  
16 deemed in default and shall be immediately due and payable.

17 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the  
18 Commission may bring further legal proceedings against that Respondent, including application to  
19 the superior court for an order of contempt.

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1 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this  
2 Order shall be deemed binding against any Respondent under this Docket Number who has not  
3 consented to the entry of this Order.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION  
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8 CHAIRMAN

COMMISSIONER

9  
10 COMMISSIONER

COMMISSIONER

COMMISSIONER

11  
12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
13 Executive Director of the Arizona Corporation Commission,  
14 have hereunto set my hand and caused the official seal of the  
15 Commission to be affixed at the Capitol, in the City of  
16 Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

17 \_\_\_\_\_  
18 ERNEST G. JOHNSON  
19 EXECUTIVE DIRECTOR

20 \_\_\_\_\_  
21 DISSENT

22 \_\_\_\_\_  
23 DISSENT

24 This document is available in alternative formats by contacting Shaylin A. Bernal, ADA  
25 Coordinator, voice phone number 602-542-3931, e-mail [sabernal@azcc.gov](mailto:sabernal@azcc.gov).

26 (wlc)



**CONSENT TO ENTRY OF ORDER**

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2           1.       Respondents STEVEN DALE MORREY, JENNIFER MORREY and MAYET  
3 HOLDINGS, LLC ("Respondents"), admit the jurisdiction of the Commission over the subject  
4 matter of this proceeding. Respondents acknowledge that they have been fully advised of their  
5 right to a hearing to present evidence and call witnesses and they knowingly and voluntarily waive  
6 any and all rights to a hearing before the Commission and all other rights otherwise available under  
7 Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondents  
8 acknowledge that this Order to Cease and Desist, Order for Administrative Penalties and Consent  
9 to Same ("Order") constitutes a valid final order of the Commission.

10           2.       Respondents knowingly and voluntarily waive any right under Article 12 of the  
11 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief  
12 resulting from the entry of this Order.

13           3.       Respondents acknowledge and agree that this Order is entered into freely and  
14 voluntarily and that no promise was made or coercion used to induce such entry.

15           4.       Respondents understand and acknowledge that they have a right to seek counsel  
16 regarding this Order, and that they have had the opportunity to seek counsel prior to signing this  
17 Order. Respondents acknowledge and agree that, despite the foregoing, they freely and voluntarily  
18 waive any and all right to consult or obtain counsel prior to signing this Order.

19           5.       Respondents admit only for purposes of this proceeding and any other proceeding in  
20 which the Commission or any other agency of the state of Arizona is a party the Findings of Fact  
21 and Conclusions of Law contained in this Order. Respondents agree that they shall not contest the  
22 validity of the Findings of Fact and Conclusions of Law contained in this Order in any present or  
23 future proceeding in which the Commission or any other state agency is a party concerning the  
24 denial or issuance of any license or registration required by the state to engage in the practice of  
25 any business or profession.  
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1           6.     By consenting to the entry of this Order, Respondents agree not to take any action or  
2 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of  
3 Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual  
4 basis. Respondents will undertake steps necessary to assure that all of their agents and employees  
5 understand and comply with this agreement.

6           7.     While this Order settles this administrative matter between Respondents and the  
7 Commission, Respondents understand that this Order does not preclude the Commission from  
8 instituting other administrative or civil proceedings based on violations that are not addressed by  
9 this Order.

10          8.     Respondents understand that this Order does not preclude the Commission from  
11 referring this matter to any governmental agency for administrative, civil, or criminal proceedings  
12 that may be related to the matters addressed by this Order.

13          9.     Respondents understand that this Order does not preclude any other agency or  
14 officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal  
15 proceedings that may be related to matters addressed by this Order.

16          10.    Respondents agree that they will not apply to the state of Arizona for registration as  
17 a securities dealer or salesman or for licensure as an investment adviser or investment adviser  
18 representative until such time as all penalties under this Order are paid in full.

19          11.    Respondents agree that they will not exercise any control over any entity that offers  
20 or sells securities or provides investment advisory services within or from Arizona until such time  
21 as all penalties under this Order are paid in full.

22          12.    Respondents agree that they will not sell any securities in or from Arizona without  
23 being properly registered in Arizona as a dealer or salesman, or exempt from such registration;  
24 Respondents will not sell any securities in or from Arizona unless the securities are registered in  
25 Arizona or exempt from registration; and Respondents will not transact business in Arizona as an  
26

1 investment adviser or an investment adviser representative unless properly licensed in Arizona or  
2 exempt from licensure.

3 13. Respondents consent to the entry of this Order and agree to be fully bound by its  
4 terms and conditions.

5 14. Respondents acknowledge and understand that if they fail to comply with the  
6 provisions of the order and this consent, the Commission may bring further legal proceedings  
7 against them, including application to the superior court for an order of contempt.

8 15. Respondents understand that default shall render them liable to the Commission for  
9 its costs of collection and interest at the maximum legal rate.

10 16. Respondents agree and understand that if they fail to make any payment as required  
11 in the Order, any outstanding balance shall be in default and shall be immediately due and payable  
12 without notice or demand. Respondents agree and understand that acceptance of any partial or late  
13 payment by the Commission is not a waiver of default by the Commission.

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17. STEVEN DALE MORREY represents that he is Managing Member of MAYET HOLDINGS, LLC and has been authorized by MAYET HOLDINGS, LLC to enter into this Order for and on behalf of it.

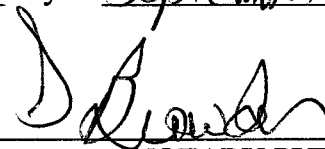
  
STEVEN DALE MORREY

  
JENNIFER MORREY

  
STEVEN DALE MORREY, Managing Member  
MAYET HOLDINGS, LLC

STATE OF ~~ARIZONA~~ <sup>Washington</sup> )  
County of ~~Clark~~ <sup>Clark</sup> ) ss

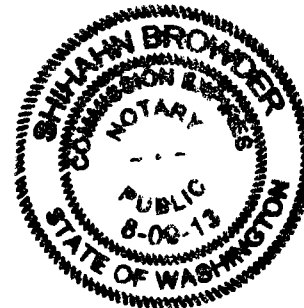
SUBSCRIBED AND SWORN TO BEFORE me this 8 day of September, 2010.



NOTARY PUBLIC

My commission expires:

8/9/13



SERVICE LIST FOR: MAYET HOLDINGS, LLC

STEVEN DALE MORREY  
300 NE 115<sup>th</sup> Ave, Suite 253  
Vancouver WA 98684-5041

JENNIFER MORREY  
300 NE 115<sup>th</sup> Ave, Suite 253  
Vancouver WA 98684-5041

MAYET HOLDINGS, LLC  
300 NE 115<sup>th</sup> Ave, Suite 253  
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